

ENERGY EFFICIENCY AND RESOURCE MANAGEMENT COUNCIL

Minutes-December 9, 2010

Executive Dining Room, Ground Floor DOA

Call to Order: The meeting was called to order by Chairman Paul Ryan at 3:30 PM

Members Present: Joe Cirillo, Paul Ryan, Joe Newsome, Chris Powell, Marion Gold, Abigail Anthony, Ed White and Ken Payne

Staff Present: Dan Carrigg and Charles Hawkins

Consultants: Mike Guerard

Others Present: Jeremy Newberger, Rachel Henshel, Brian Kearney, Kathy O'Rourke, Tom Teehan, Karl Munzel, Josh Croft

Acceptance of Minutes: Marion Gold made a motion to approve the November minutes. It was seconded by Joe Cirillo and passed unanimously.

Ken P. was tied up in a meeting so the Executive Director's Report was moved to the end of the meeting.

OLD BUSINESS

Report from the RFP and Work Plan Sub-Committee

The Sub-Committee worked with VEIC on a draft work plan and budget for 2011. One of the changes for 2011 will be more written reports and issue summaries which will create an energy library that can go up on the website. It will document how the council spends its budget. The budget is for the six months of the VEIC contract extension. A key 2011 task is the Three Year EE plan. Other priorities include: gas & electric integration; exploring new technologies; overseeing the NGrid marketing plan; improved M&V; and the C&I low interest loan program that will be developed with the EDC.

Chris P. asked if this budget assumes PUC passage of the 2011 EE Plan and if not is there a Plan B. Abigail A said it would depend on how much was cut. If the cut was substantial, the work plan would have to be adjusted. Paul R. feels that there is need for some one to do accounting for the Council. He felt that the budget will have to be approved with a caveat that it may need to be altered. Paul R. said he was comfortable approving the budget and work plan conditionally on the PUC's approval of the EE Program Plan and any change in the Council's relationship with State government.

Jeremy N. said that he expects the PUC to hold a technical session on the plan followed by an open meeting about a week after that. Statute says they have to decide in 60 days. A discussion then

ensued about the Council's relationship with state government.

NGrid would be comfortable with the motion as proposed with an additional condition that as events unfold that the priorities may be reexamined and subject to revision. Abigail A. did not think this was necessary because there is flexibility build into the work plan.

Abigail A. made a motion to accept the VEIC work plan and approve the budget conditionally on the PUC's approval of the 2011 EE Program Plan and subject to revisions if there is a change in state resources. It was seconded by Marion G. and passed unanimously.

Paul R. asked about the status of the website. Dan C. said that it can accommodate whatever information the council would like to post. Paul R. wants to make sure it is easy to find.

VEIC Monthly Update

The main consultant activity in November was working with the OER, NGrid, EERMC, RI Housing and the EDC on the financing loan issue. He cited the two meetings that have been held. Scudder P. and Betsey H. did a memo to Ken P. that he can use to craft legislation for this Assembly session on a C&I EE loan program using ARRA funding. The other activity is preparing for the PUC technical session on the 2011 EE Plan.

Chris P. cited a recent TECHRI meeting where there was a lot of excitement about a C&I loan program. Rachel H. said that NGrid is also excited about the loan program and really want to get it out to the public. Dan C. said that the ARRA funding has already been transferred to EDC to begin this loan program. Paul R. said that it was important to get to get a product to the key Senators who have asked for action on this issue. sue.

Update on Docket 4209 (2011 EE Plan)

There will be a technical session on the 2011 EE program Plan on Monday December 13th at the PUC. Chris P. felt it is important for members to make a statement on the merits of the plan. Parties who are expected to testify are: TECHRI, the EERMC, ENE, the DPU and the OER. VEIC will present their report on the cost effectiveness of the plan. Jeremy N. asked if Ken P. will attend because there will be questions on funding sources that the OER control like ARRA and RGGI.

The meeting was reconvened at 4:35 PM.

NEW BUSINESS

RGGI Update

Ken P. had good news. The 40% RGGI funding is being processed. Ron Renaud was instrumental in getting this process expedited through state bureaucracy. It will be used for EE Programs.

Executive Director's Report

The OER has been working hard to improve the integrity and management of RI energy programs. It is the office's top priority to take a system that has evolved over time, without the required structures for integrity, and improve the way LIHEAP, the DOE WAP and ARRA WAP contracts are executed.

The second OER priority is to find out what ARRA projects are viable and can be done quickly to meet the 3/31/12 DOE deadline. In the next few months the office is going to be putting ARRA funding into projects that don't require extensive NEPA review. EE is easier to do than big renewable energy projects which trigger a NEPA review. This will require OER to do program design.

Joe N. asked if OER staffing had stabilized. Ken P. said that it had stabilized at the lower end with only 10 staffers. The OER is obligated to spend \$45M in ARRA funding, \$20M in LIHEAP, and almost \$10M

in other WAP programs. The office is doing this with only 3 WAP monitors, 2 support staff and five more to do the rest of the assigned tasks.

The OER has the funding and the FTEs for a staff of 18.

Paul R. asked about the status of LIHEAP funding. Ken P. talked to Reed's office recently and also met with top NGrid brass on the LIHEAP dilemma. Last year at this time OER had \$22M for the first quarter and \$30M overall. This year OER has \$17M from the CR and they can use \$12.7M of it during this quarter which is \$10M less than last year. This means that the primary grant has been reduced from \$635 to about \$395 this year. The OER is also reprogramming the 15% of LIHEAP funding that was going to go to the WAP to the Crisis Assistance Account to restore utility service. This can be accomplished with the OER maintaining the same rate of low income weatherization in 2011 because of other WAP funding sources.

The good news is that natural gas prices are going down and the majority of LIHEAP clients heat with gas. The bad news is that oil prices are going up. Any additional LIHEAP funding will go into the crisis account. If there is a bitter January and there is no increase in LIHEAP funding RI could experience human tragedy. Money went out to the CAPS last week and now they are able to make the first payments.

This highlights the need for greater analytic capacity on energy issues in RI. Neither the Council, OER or the PUC has this capability. Ken P. does not feel this capacity should necessarily be lodged in a state agency. The council should work on this issue in the next year to benefit everyone. RI is behind other states in this capacity. It should be an embedded capacity. ARRA funding can be utilize to get it started and it could be part of the EERMC budget. Abigail A. said that ENE has data it could share with the Council.

Paul R. made a motion to adjourn the meeting. It was seconded by Marion G. and passed unanimously. The meeting was adjourned at 5:15 PM.

Respectfully submitted

Charles Hawkins

Secretary Pro-tempore